The Michigan Academy of Family Physicians

We Make Michigan Healthy

Presentation Before the House Health Policy Committee
Tina Tanner, MD
Chair, MAFP Committee on Governmental Advocacy
March 22, 2017

Who We Are

- Founded in 1947, MAFP is Michigan's Largest Physician Specialty Organization
- Representing over 4,200 Family Physicians, Family Medicine Residents and Students statewide
- Michigan state chapter of the American Academy of Family Physicians
- Also maintain a sister Foundation – Family Physician Foundation of Michigan, established in 1982, to support the advancement of Family Medicine in Michigan by investing in the areas of medical student and Family Medicine resident interest, professional development of the state's Family Physicians, continuing medical education, research and public health

MAFP Mission and Vision

VISION: To ensure all Michigan residents have access to quality, affordable healthcare within a Family Physician-led medical home

MISSION: MAFP supports Family Physicians in Michigan through leadership, collaboration & innovation to achieve the best patient outcomes

Family Medicine Facts

- Provide comprehensive medical care for patients of all genders and all ages
- Deliver care in a variety of settings
  - Office practices
  - Hospitals
  - Nursing homes
  - Community health centers
  - Urgent care centers
  - Emergency rooms
  - University-based health centers
- Family Physicians provide preventive care
  - Routine checkups
  - Health-risk assessments
  - Immunization and screening tests
  - Personalized counseling on maintaining a healthy lifestyle

Family Medicine Facts: Primary Patient Care Setting

Office or Clinic	83.0%
Hospital (not emergency department)	3.7%
Hospital emergency department	3.0%
Urgent care facility	3.5%
Institutional residential facility	1.7%
You do not see patients in your primary setting	2.2%
Other	1.6%

Family Physicians Manage Chronic Illness

- Family Physicians also manage chronic illness, often coordinating care provided by other subspecialists
  - Heart disease
  - Stroke
  - Hypertension
  - Diabetes
  - Cancer
  - Asthma
- Ongoing, personal care for the nation's most serious health problems

Family Medicine Facts

- Family Physicians provide the majority of care for America's underserved rural and urban populations.
- Family Physicians are the main source of primary health care for the Medicare population.
- Family Physicians are distributed more proportionally to the U.S. population than any other physician specialty.
- Sixty percent of people aged 65 and older identify a Family Physician as their usual source of health care.
- Family physicians conduct approximately one in five office visits – that's 192 million visits annually – **48 percent** more than the next most visited specialty.

2017 Public Policy Priorities

- Health Care Access for All
- Investment in the Primary Care Workforce
  - Loan Repayment
  - Alternative training models
- Payment and Delivery System Reform
- Public Health and Safety
  - Prescription Drug/Opioid Abuse
  - Immunization rates
  - Gun violence
- Team-Based Care
  - A safe, efficient, preventive, and effective health provided by a Physician-led team that is integrated into the patient's community

Primary Care in the U.S.

- The United States has much lower average life expectancy than other developed countries despite outspending all other industrialized nations on health care. Wasteful spending in the nation's health care system – $765 billion a year – is equal to the gross domestic product of the Netherlands.
- The figure includes $210 billion in unnecessary services, $130 billion in inefficient care delivery, and $190 billion in excess administrative costs.
- "Compelling evidence suggests that the poor U.S. performance – apparent even in its affluent, insured, and majority population – is in part a consequence of a decades-long decline in the vitality of U.S. primary care."

Investing in the Primary Care Workforce

- Dedicated to Providing Access to a Primary Care Physician for every Michigan Family
- GME Reform
  - Teaching Health Center and other models
- Medical Student Debt/PC Incentives
  - State Loan Repayment Program
  - Medicaid Primary Care Fee Uplift
- Payment and Delivery System Reform

Medical Student Debt

- Many medical students are faced with significant debt loads that influence their choice of specialty.
- According to figures released by the Association of American Medical Colleges in October 2016, the typical medical student now graduates with more than [redacted] in debt (an increase of 5% over the previous year)
- Policy tools, like the existing **State Loan Repayment Program**, incentivize graduating physicians to practice primary care in designated medically underserved areas by paying down a portion of their debt

Keep Primary Physicians in Michigan - GME Reform

- GME plays a key role in the makeup of the U.S. physician workforce, and it represents the largest public investment in health workforce development
- The Association of American Medical Colleges (AAMC) predicts a shortage of primary care physicians ranging from 14,800 to 35,100 by 2025
- The AAMC called for an additional 3,000 residency slots each year from 2015 to 2045, the estimated cost of the additional training positions for the next decade is about $20 billion
- According to the Robert Graham Center, Michigan will need 1286 more primary care physicians by 2030
- The current structure dictating the flow of GME dollars is complex and does not favor the production of primary care physicians
- Incentives to train subspecialists over primary care physicians

Keep Primary Care Physicians in Michigan - Training/Residency

- Train in the community; stay in the community
- According to the American Medical Association Physician Masterfile data, a majority of Family Medicine residents practice within 100 miles of their residency training location
- Teaching Health Center Graduate Medical Education Program
  - Offers clinical training in community-based ambulatory care settings
  - Multiple sites in the Detroit area and elsewhere
  - Could serve as a model for state-based reforms

Keep Primary Care Physicians in Michigan - Family Physician Compensation

- Despite data showing that investments in primary care lower costs and improve quality, Michigan ranks #48 in the country for primary care physicians salaries
- Michigan has 7 Medical Schools graduating 1020 Medical students a year but residency slots, particularly primary care slots, have not increased at the same rate
- Michigan Exports Medical students due to lack of residency slots and lower salaries than surrounding states

Medicaid Reimbursement

- Traditional Michigan Medicaid primary care payment rates fell well below the national average –around 46% of Medicare rates on average for primary care, or #4 lowest rates in the country, according to the Kaiser Family Foundation
- Existing policy tools, like the Medicaid primary care fee uplift, have helped but we have a long way to go
- Many Michigan primary care physicians have to limit the number of Medicaid patients in their practice due to the economic realities to maintain a viable business

The Regulatory Framework for Physician Practices

- Demands placed by Insurance companies and CMMS without reimbursement for time to render service or use of EHR and Registries/Databases
- Decreases the number of Patient Visits per day
- Driven operating costs upward and profits lower
- The administrative and regulatory burden is one of the top reasons independent practices close
- Leading cause of physician burnout

Improve Access by Decreasing Regulatory Burden

- Efforts to streamline administrative burdens
  - Prior authorizations (identified as #1 administrative burden)
  - Documentation guidelines for E & M services
  - Translation Service Costs
  - Quality measure harmonization and alignment
  - Electronic health record interoperability
  - Appropriate use criteria alignment with Merit-Based Incentive Payment System
  - Social security number removal initiative
  - Inconsistent Claims Review
  - Transitional Care Management Services

Payment & Delivery System Reform

- Primary care has consistently demonstrated high value at lower costs
- Payers are transitioning from pay-for-volume of services to pay-for-value but remunerating more for higher quality, lower cost services with higher patient satisfaction. Some examples include:
  - State
    - Blue Cross Blue Shield Patient-Centered Medical Home
    - State Innovation Model
  - National
    - MCOLA & MI
    - Medicare Access and CHIP Reauthorization Act (MACRA)
    - CMS Comprehensive Primary Care Plus Initiative (CPC+)

The Value of Family Medicine: Better Health

- Studies suggest that as many as 227,617 deaths per year in the United States could be averted through an increase in the number of primary care physicians.
- In areas of the country where there are more primary care providers per person, death rates for cancer, heart disease, and stroke are lower and people are less likely to be hospitalized.

The Value of Family Medicine: Better Care

- An increase of one primary care doctor per 10,000 people can decrease costly and unnecessary care:
  - Outpatient visits: 5%
  - Inpatient admissions: 5.5%
  - ER visits: 10.9%
  - Surgeries: 7.2%
- Urban and rural communities that have an adequate supply of primary care physicians and allied health professionals experience lower infant mortality, higher birth weights, and immunization rates at or above national standards despite social disparities.
- Evidence shows that primary care (in contrast to specialty care) is associated with a more equitable distribution of health in populations.

The Value of Family Medicine: Lower Cost

- Every $1 increase in primary care expenditures as part of the PCPCH model resulted in $13 in savings in other health care services, including specialty, emergency room, and inpatient care *
  - BCBS has 1.35 million members in PCMH models as of 2015; this investment of $1.35 million in Primary Care would result in a savings of $18.25 million
- U.S. adults who have a primary care physician have 33 percent lower healthcare costs.
- A primary care-based system may cost less because patients experience fewer hospitalizations, less duplication and more appropriate technology

Conclusion

MAFP MICHIGAN ACADEMY OF FAMILY PHYSICIANS

In the increasingly fragmented world of healthcare, one thing remains constant: Family Physicians are dedicated to treating the whole person. Family Medicine's cornerstone is an ongoing, personal healthcare relationship focusing on a physician lead team giving complete care based on a patient's and family's specific needs.

Questions?

MAFP MICHIGAN ACADEMY OF FAMILY PHYSICIANS

Contact:
Carolyn Nahner
MAFP Director of Government Affairs
cnahner@mafp.com
517-614-9082 (office)
571-233-2898 (cell)

ROBERT GRAHAM CENTER

Michigan: Projecting Primary Care Physician Workforce

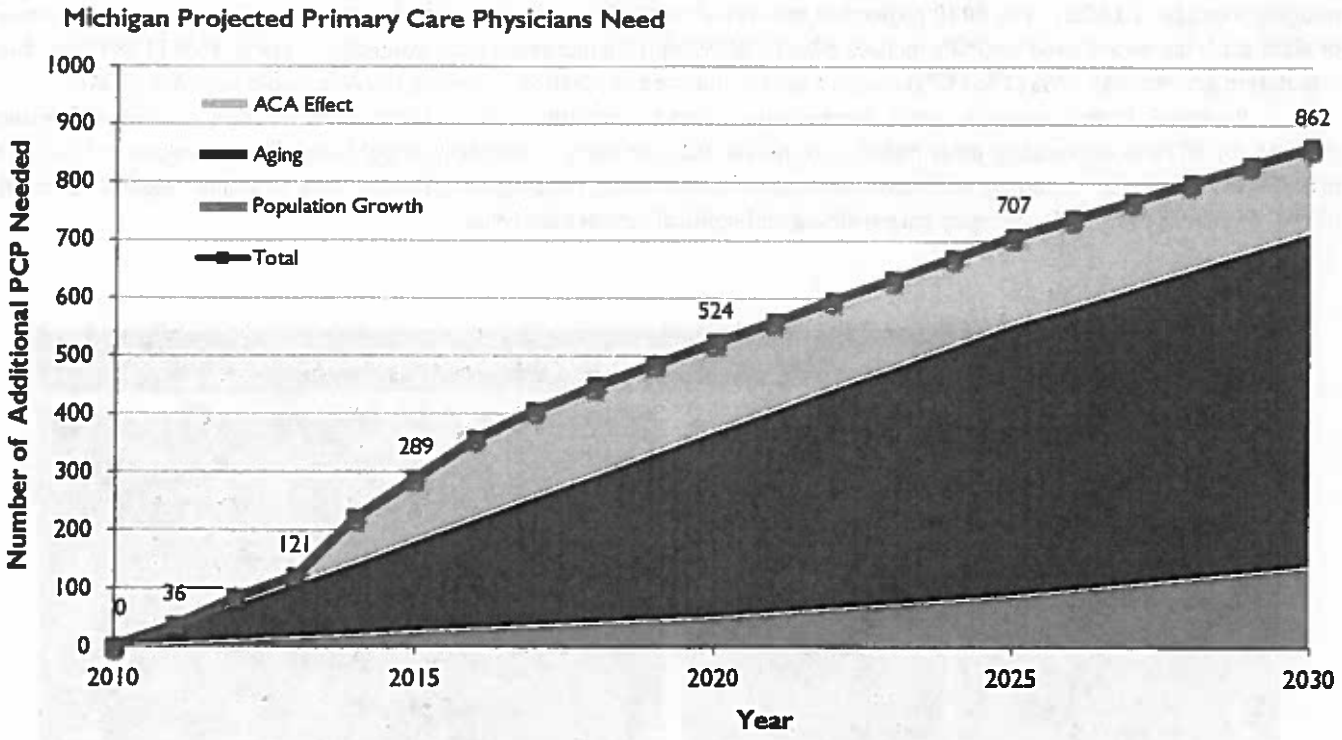
Background

Primary care physicians (PCP) workforce shortages challenge the long term viability of U.S. primary care, a foundation of the Triple Aim for U.S. health care. The Triple Aim envisions primary care as an integrating component working across its three goals of improving the quality of care, improving health of populations, and reducing per capita health care costs.[1] Studies of the future need for primary care providers indicate that demographic and policy trends will only strain a workforce already struggling to meet national needs.[2] Other analyses document geographic maldistribution of PCPs, within states as well as across states.[3] Addressing both physician shortages and maldistribution requires analysis and action on the state level.

Methods. The Robert Graham Center projected the Michigan PCP workforce necessary to maintain current primary care utilization rates, accounting for increased demand due to aging, population growth, and an increasingly insured population due to the Affordable Care Act (ACA). Primary care use was estimated with 2010 Medical Expenditure Panel Survey (MEPS) data. Current active PCPs within Michigan were identified using the 2010 American Medical Association (AMA) Masterfile, adjusting for retirees and physicians with a primary care specialty but not practicing in primary care settings. Michigan population projections are from those produced by the state based on the 2010 Census.[4]

Workforce Projections 2010-2030

To maintain current rates of utilization, Michigan will need an additional 862 primary care physicians by 2030, a 12% increase compared to the state's current (as of 2010) 7,059 PCP workforce.



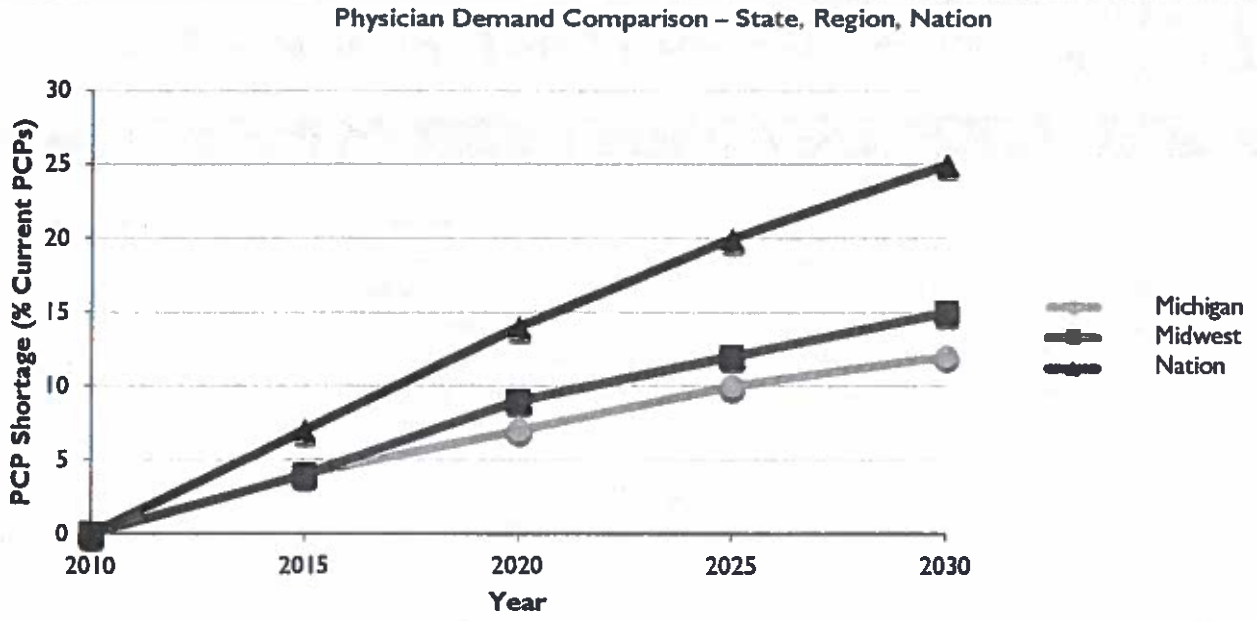
Suggested citation: Petterson, Stephen M; Cai, Angela; Moore, Miranda; Bazemore, Andrew. State-level projections of primary care workforce, 2010-2030. September 2013, Robert Graham Center, Washington, D.C.

[1] Berwick, D. M., Nolan, T. W., & Whittington, J. (2008). The triple aim: care, health, and cost. *Health Affairs, 27*(3), 759-69. doi:10.1377/hlthaff.27.3.759

[2] Petterson, S. M., Liaw, W. R., Phillips, R. L., Rabin, D. L., Meyers, D. S., & Bazemore, A. W. (2012). Projecting US Primary Care Physician Workforce Needs: physician supply meet demands of an increasing and aging population? *Health Affairs, 27*(3), w232-w241. Also see Colwill, J., Cultice, J., & Kruse, R. (2008). Will generalist physician supply meet demands of an increasing and aging population? *Health Affairs, 27*(3), w232-w241.

[3] *Council on Graduate Medical Education Tenth Report: Physician Distribution and Health Care Challenges in Rural and Inner-city Areas.* (1998). Washington, D.C.

[4] http://www.michigan.gov/cgi/0,1607,7-158-54534-116118--,00.html. For full description of the methodology, see http://www.graham-center.org/tools-resources/state-projections.htm.



Implications for Michigan

To maintain the status quo, Michigan will require an additional 862 primary care physicians by 2030, a 12% increase of the state's current (as of 2010) 7,059 practicing PCPs. The current population to PCP ratio of 1400:1 is lower than the national average of 1463:1. The 2030 projection stands below the Midwest overall and below the nation overall. Components of Michigan's increased need for PCPs include 67% (578 PCPs) from increased utilization due to aging, 16% (138 PCPs) due to population growth, and 16% (146 PCPs) due to a greater insured population following the Affordable Care Act (ACA).

Pressures from a growing, aging, increasingly insured population call on Michigan to address current and growing demand for PCPs to adequately meet health care needs. Policymakers in Michigan should consider strategies to bolster the primary care pipeline including reimbursement reform, dedicated funding for primary care Graduate Medical Education (GME), increased funding for primary care training and medical school debt relief.

Highlights: Michigan's Projected Primary Care Physician Demand

Additional PCPs Required by 2030
862
Or, 12% of current workforce, due to an aging, growing and increasingly insured population.

Current Primary Care Physician Workforce
7,059

The state's PCP ratio of 1400:1 is lower than the national average of 1463:1.

Potential Solutions –

Bolster the Primary Care Pipeline

- Physician reimbursement reform
- Dedicated funding for primary care Graduate Medical Education (GME)
- Increased funding for primary care training (Title VII, Section 747)
- Medical school student debt relief

The Robert Graham Center:
Policy Studies in Family Medicine and Primary Care
1133 Connecticut Avenue, NW, Suite 1100
Washington, DC 20036

TELEPHONE: 202.331-3360
FAX: 202.331-3374
E-MAIL: policy@aafp.org
Web: www.graham-center.org

INVEST in FAMILY MEDICINE

Better Health, Better Care, Lower Cost

Better Health

Studies suggest that as many as **127,617 deaths per year in the U.S. could be averted** through an **increase in the number of primary care physicians.**[1]

States with **higher ratios of primary care physicians** to population have **lower smoking rates and less obesity.**[2]

Better Care

An increase of **1** primary care physician per 10,000 people can decrease costly and unnecessary care:[3]

- Outpatient visits **5%**
- Inpatient admissions **5.5%**
- Emergency room visits **10.9%**
- Surgeries **7.2%**

Urban and rural communities that have an **adequate supply of primary care physicians** and other allied healthcare professionals have **lower infant mortality, higher birth weights, and immunization rates at or above national standards** despite social disparities.[4]

Lower Cost

U.S. adults who have a primary care physician have **33% lower healthcare costs.**[5]

Primary care physicians, compared with specialists, provide **equal quality of care at lower cost** for patients with diabetes and hypertension.[6]

Despite data showing that investments in primary care lower costs and improve quality, **Michigan ranks 48th among the states for primary care physician salaries.**[7]

Sources:

[1] Starfield, B., L. Shi, and J. Macinko. "Contribution of Primary Care to Health Systems and Health." *The Milbank Quarterly*, 2005. Vol. 83, No.3. (pp. 457-502). Available at http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2690145/.

[2] Shi, L., & Starfield, B., 2000

[3] Kravet, SJ. A.D. Shore, R. Miller, G.B. Green, K. Kolodner, and S.M. Wright. "Health Care Utilization and the Proportion of Primary Care Physicians." *American Journal of Medicine*. 12 February 2008. Available at http://www.ncbi.nlm.nih.gov/pubmed/18261503.

[4] Rosenthal, T. "The Medical Home: The Growing Evidence to Support a New Approach to Primary Care." *Journal of the American Board of Family Medicine*, September-October 2008. Vol. 21. No. 5. Available at http://www.jabfm.org/content/21/5/427.full.pdf+html.

[5] The Commonwealth Fund, "Health Reform & You - Primary Care: Our First Line of Defense." 12 June 2013. Available at http://www.commonwealthfund.org/~/media/files/publications/health-reform-and-you/health-reform_primary-care_612.pdf.

[6] Bodenheimer, T., & Grumbach, K., 2000

[7] Krivich, R. S. (2015, December 25). Top 10 highest and lowest paying states for PCPs. Retrieved February 3, 2016, from http://medicaleconomics.modernmedicine.com/medical-economics/news/top-10-highest-and-lowest-paying-states-pcps?page=0,0

MAFP
MICHIGAN ACADEMY OF FAMILY PHYSICIANS

mafp.com | 517.347.0098

MAFP
MICHIGAN ACADEMY OF FAMILY PHYSICIANS

ACADEMY

2017 ADVOCACY PRIORITIES

Family Physicians in Michigan Support...

PAYMENT AND DELIVERY SYSTEM REFORM

- Efforts at the state level to adopt innovative payment and delivery models that will help lower costs, improve quality and expand access to primary care over the long-term by all payers
- Adoption and expansion of Direct Primary Care, a model that could be a viable alternative to the traditional insurance-based model of care
- Medicaid reimbursement levels that reflect the true cost of sustaining a medical practice with a high Medicaid patient population
- Collaboration with the American Academy of Family Physicians to shape the implementation of the Medicare Access and CHIP Reauthorization Act (MACRA) and efforts to educate members about the law

HEALTHCARE ACCESS FOR ALL

- Healthcare coverage for all Michigan residents with guaranteed access to a Family Physician who can provide comprehensive, compassionate and continuous care
- Dedicated state funding to ensure successful implementation of the *Healthy Michigan Plan*
- Increasing the Medicaid primary care provider payment uplift to 100% of Medicare levels and making any increase permanent
- Mental health parity and reforms to the delivery of mental healthcare in Michigan, specifically, the incorporation of reimbursement mechanisms that recognize the important role of the Family Physician in the treatment of mental illness as well as the significant issues of comorbidity that require non-psychiatric care
- Reducing unreasonable barriers to the practice of telehealth, including appropriate payment for physician telehealth services that are reasonable and necessary, safe and effective, medically appropriate and provided in accordance with accepted standards of medical practice

THE PATIENT CARE TEAM MODEL

- Advancing the model of the physician-led, patient care team, which ensures patients receive the best quality of care from the appropriate healthcare professional at the proper time in the most cost-effective manner
- Ensuring all healthcare providers in the team practice at the full extent of their education and training
- Scope of practice laws that appropriately reflect the differences in education and training between physicians and allied health professionals, and prioritize the safety and satisfaction of patients

INVESTMENT IN THE PRIMARY CARE WORKFORCE

- Reducing the income disparity between primary care physicians and subspecialists, which currently serves as a deterrent for medical students seeking a career in primary care
- Policies and incentives that help alleviate medical student loan debt, making Family Medicine more attractive to aspiring physicians
- State and federal funding for the Michigan State Loan Repayment Program
- Reforms that encourage a high participation rate in the loan repayment program and maximize resources in the geographic areas of most need
- Sustaining state and federal funding for Graduate Medical Education
- Reforms that prioritize funding for primary care training in community-based settings and underserved areas, including adoption of reforms modeled after the Teaching Health Center Graduate Education Program

PUBLIC HEALTH AND SAFETY

- Efforts that lead to reduced tobacco use in Michigan, which includes support for FDA authority to regulate the manufacture, sale, labeling, distribution and marketing of tobacco products, including e-cigarettes
- Facilitating the successful implementation of new state requirements for education as a condition of obtaining a non-medical vaccination waiver
- Sensible gun control legislation and opposition to any legislative efforts that seek to interfere with the physician-patient relationship
- Patients' rights to choose the form and mechanism of the end-of-life medical care rendered to them
- Increasing utilization of the Michigan Automated Prescription System (MAPS), and advocating for any new MAPS system to be integrated with electronic medical records

ABOUT THE ACADEMY

What is the Michigan Academy of Family Physicians?

Michigan Academy of Family Physicians (MAFP), founded in 1948, represents more than 4,200 Family Physicians, Family Medicine residents, and medical students statewide. Our mission is to support Family Physicians in Michigan through leadership, collaboration and innovation to achieve the best patient outcomes.

What do Family Physicians do?

In the increasingly fragmented world of U.S. healthcare, one thing remains constant: Family Physicians are dedicated to treating the whole person. These residency-trained, primary care specialists treat babies with ear infections, obese adolescents, adults with depression, seniors with multiple chronic illnesses, and beyond. Because of their focus on prevention, primary care and overall care coordination, Family Physicians are able to treat health conditions early and, when necessary, refer their patients to the appropriate specialist. Family Physicians are advocates for their patients in the complex healthcare system, and the patient-physician relationship has always been the very core of Family Medicine.

How are Family Physicians educated and trained?

After medical school, Family Physicians complete a three-year residency program that includes training in pediatrics, obstetrics and gynecology, internal medicine, psychiatry and neurology, surgery and community medicine. As members of MAFP, Family Physicians are required to complete 150 credits of continuing medical education (CME) every three years to ensure they remain well-versed in the most up-to-date medical technologies, research and techniques.

How many Americans see a Family Physician?

Approximately one in five of all office visits are made to Family Physicians. That is 192 million visits each year—48% more than the next most visited specialty. Family Physicians are virtually in every community—whether rural, urban or suburban—and they practice medicine in a variety of settings, from private practices to emergency departments, from solo practices to hospital settings.

How do Family Physicians impact the healthcare system?

Family Physicians provide more care for America's underserved and rural populations than any other medical specialty. Family Medicine's cornerstone is an ongoing, personal patient-physician relationship focused on integrated, team-based care.

Which issues in the legislature affect Family Physicians?

As the only medical specialty society devoted entirely to primary care, MAFP is engaged in virtually all healthcare issues. This includes access to primary care, Medicaid reforms, funding for Family Medicine training and reforms to graduate medical education (GME), scope of practice, public health issues, eliminating unnecessary regulatory and administrative burdens in the practice environment, and payment and delivery system reforms.

MAFP
MICHIGAN ACADEMY OF FAMILY PHYSICIANS
2164 Commons Parkway
Okemos, MI 48864
517.347.0098
info@mafp.com | mafp.com
@MiFamilyDocs